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Staff 104-67

22 NOV 1967

MEMORANDUM FOR THE RECORD

SUBJECT: DD/S&T Briefing on the Proposed FY-1968 Budget
Reduction

1. On 20 November 1967, a briefing was presented by the Office of ELINT (OEL) on the effect of a proposed reduction in the FY-1968 budget. The meeting was held in the DD/S&T Conference Room from 1335 hours to 1415 hours. Attendees were as follows:

DD/S&T Mr. Carl E. Duckett
Dr. Lloyd K. Lauderdale*

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ORD Dr. Robert Chapman*

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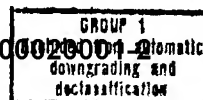
OEL

* Denotes part-time attendance.

2. Mr. Duckett began the meeting by explaining the general problem and emphasized the present situation is probably the "best" that it will be. He went on to say there is a strong possibility of an additional reduction and referred to recent comments made by the DCI. Mr. Duckett said it was quite clear, moreover, there was no basis for "fighting the problem". In addition, it appears the FY-1969 situation will

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25X1A be no better and activities not undertaken in FY-1968 cannot be considered to be "deferred" to FY-1969. Mr. Duckett specifically stated the purpose of the present meeting was to review how OEL proposed to reduce its program but that no decisions would be made at this time. In this context, [REDACTED] provided information on a DD/P requirement on ORD R&D funds for additional DD/P equipment and added OSI and OCS have identified limited reductions that can be made in funds presently allocated.

25X1A 3. [REDACTED] briefly reviewed and explained in a short, factual manner the impact of the changes that OEL would have to make if [REDACTED] were to be taken from the OEL budget. As 25X1A a result of these changes, he indicated the FY-1968 R&D pro- 25X1A gram could be reduced from [REDACTED] for a net reduction of [REDACTED] 25X1A [REDACTED] could be obtained by decreasing the present allocation for property from [REDACTED] making a total reduction of [REDACTED] 25X1A [REDACTED] also explained planned projects have been arranged in priority order in the event further reductions are directed 25X1A (Tab B). [REDACTED] emphasized that the revised FY-1968 program 25X1A for [REDACTED] represented the minimum amount required to meet current operational requirements and not another cent could be spared without serious damage. It will also provide funds to undertake necessary equipment updating/modifications at 25X1A [REDACTED] and only a very limited amount has been programmed for study efforts, namely the [REDACTED] impact study. 25X1A According to [REDACTED], the most drastic change would be made in funds for the development of clandestine equipment and said this change had "hurt" more than any of the others. The 25X1A reason given by [REDACTED] was that, while the DCI was extremely interested in conducting operations, the capability to do so in the future would depend upon the initiation of R&D programs now. Consequently, [REDACTED] said he was opposed to curtailment/ 25X1A elimination of such programs, although he realized this had to be done under present circumstances. However, he pointed out that if funds for this type of effort were later provided, more than the elapsed time would actually be lost. 25X1A

25X1A 4. Mr. Duckett asked a number of questions relative to particular items such as the possibility of using [REDACTED] 25X1A [REDACTED] funds, what would be "lost" at [REDACTED] etc.

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25X1A In general, he did not question individual items of the revised program proposed by OEL. He said, however, that reducing the level in the clandestine field would seem to go against the grain in an area in which the Agency should properly be interested. He directed [REDACTED], moreover, to release the documentation on Project [REDACTED] to the Office of Logistics (O/L). In response to a specific question, he also authorized proceeding on Project [REDACTED], i.e., evaluate contractor proposals, etc. He emphasized the actual conduct of [REDACTED] is contingent upon an Agency Reserve Release which will depend upon the DD/P position. He said further the DD/P now appeared to be fully in support of the operation and was presently conducting discussions with the [REDACTED].

25X1A In the same context, i.e., reserve release, considerable time was spent on the problem of approval for [REDACTED]. According to Mr. Duckett, each day a decision is postponed, the less chance he considers there is of obtaining the necessary funds. In both cases [REDACTED], Mr. Duckett stressed the need for strong DD/P support.

25X1A 5. As a related subject, [REDACTED] referred to the OEL request for an increase in overtime funds. He asked if it was intended to reprogram within present funding or whether additional funds were required. In reply, he was informed reprogramming was planned, if necessary, but that it was anticipated certain specific arrangements other than overtime could be made, i.e., added compensation, PCS for Project [REDACTED] etc. [REDACTED] also reported DD/P was taking a critical look at any overseas travel. However, Mr. Duckett commented that any control on travel would be exercised by DD/S&T and not DD/P.

25X1A 6. As indicated in paragraph 1 above, there was no decision, as such, made on the revised OEL program. Mr. Duckett generally appeared to accept the proposed changes, at least in principle, if a cut of such magnitude has to be made. It was quite evident any decision will be based on a number of other factors, including the capability of ORD to reduce its budget plus new requirements to absorb additional Agency "cuts". On this latter point,


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Mr. Duckett explained it was very difficult for the DD/S&T to prepare the same type of impact statement as the DD/S and DD/P. That is, reductions in DD/S and DD/P are reflected in more concrete terms that provide little, if any, room for choice. Consequently, if additional reductions are made within the Agency, DD/S&T will probably bear the brunt of the changes.

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Chief, Plans and Programs Branch
Office of ELINT


Attachments:

Tab A - Current and Revised Programs
Tab B - Priority Listing

Distribution:

1 - D/OEL	1 - C/PPB/OEL Chrono
1 - DD/OEL	1 - EXO/DD/S&T
1 - C/ASD/OEL	1 - Comptroller/DD/S&T
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